

These are very wise words telling diplomats that the basis for all diplomacy starts at home, that diplomacy is a continuation or projecting of domestic policies, that any country, but especially small ones, are only heard abroad if they have managed to put their own house in order.

*Jørgen Ørstrøm Møller*  
Visiting Senior Research Fellow,  
Institute of Southeast Asian Studies, Singapore.  
Adjunct Professor,  
Copenhagen Business School and  
Singapore Management University

**Edward Steinfeldt**, *Playing Our Game: Why China's Rise Doesn't Threaten the West*. Oxford: Oxford University Press, 2010, 265 pp., notes, index. ISBN 978-0-19-539065-0.

A host of new publications maintain that the days of Western economic superiority are over. In particular three indicators are cited to substantiate this claim: (1) in 2009 China overtook Germany to become the largest export nation in the world; (2) in 2010 the Chinese economy overtook that of Japan to become the second biggest economy in the world and according to the IMF the US will be surpassed in 2016; and (3) by mid-2011, China's foreign exchange reserves had ballooned to almost US\$3.2 trillion. A new book by Arvind Subramanian (*Eclipse: Living in the Shadow of China's Economic Dominance*, Petersen Institute for International Economics, 2011) argues that based on an index composed of size of GDP, trade, and foreign reserves, China may already have caught up with the US in terms of economic dominance. The argument has been strengthened by the rapid advance of Chinese business groups on the global-level playing field. The recent 2011 Global Fortune 500 list of the world's largest companies now has 61 Chinese companies on the list. This is 15 companies more than in 2010 and a clear indication that Chinese companies are on the march forward.

To Subramanian and other writers, China's new economic strength will reduce the economic power of the West and especially the US. In a recent article in *Foreign Affairs* (September/October 2011), Subramanian even draws a parallel to the Suez crisis in 1956 when the US forced the UK to withdraw from its occupation of the Suez Canal. The US made an approval of loans from the IMF to the crisis-ridden British economy

contingent on London's pullback from the Suez Canal. According to Subramanian, it is not too far-fetched to imagine a situation in the not-too-distant future, where the US economy will need support from the IMF in order to get out of its debt-trap. The Chinese role in the IMF will at that time have increased significantly and the Chinese government may – like the US in 1956 – ask for a reward for its support.

Steinfeldt disagrees with the view that the emergence of the burgeoning economy of China has reduced the US to little more than a customer and borrower of China. In his mind, China's economic rise has in fact fortified the supremacy of the US because China is playing our game, as the title of the book says. By pursuing a strategy of going global, the Chinese government has chosen to follow the rules of the advanced industrial West. The listing of the big Chinese state-owned business groups and banks abroad on stock exchanges in Hong Kong and New York has happened according to Western rules and regulations. The result, according to Steinfeldt, is that China has outsourced the power to define its domestic institutions to outsiders. The consequence is that China today is defined by Western companies and consumers, not by its own version of capitalism (p. 121). He also argues that Chinese politics and economics are developing in sync. Thus he discards the notion of a disconnection between politics and economics in China and instead argues that in China today they are evolving in an interlinked organic fashion. Consequently, China is not just opening itself up to foreign investment and economic actors. It is also absorbing Western notions of governance.

So according to Steinfeldt, the emergence of the national champions on the global-level playing field is not a sign that China is about to take over the world. Rather, it is part of its integration into a global economy where the rules are set by the West. Hence there is no need to fear China's increased global presence. On the contrary, it will only strengthen the dominant position of the West and will help shape Chinese big business according to Western norms.

Steinfeldt puts forward an interesting line of thought downplaying the challenge provided by Chinese big business. However, Chinese listed firms are usually part of a larger business group dominated by a parent group. The parent group is not subject to the same detailed rules and regulations as the listed arm. For example, listed companies are obliged to disclose the salaries of the company CEO as well as other members of the top management team. This is not the case for the parent company. It is public knowledge how much Zhou Jiping, the CEO of

PetroChina, makes, but how much Jiang Jiemin earns as chairman of the parent group is unclear. Moreover, the 53 largest Chinese state-owned enterprises are part of the central nomenklatura, which means that their CEOs are managed and appointed by the Chinese Communist Party's Central Organization Department and not by their company boards.

In short, Steinfeldt underestimates how the Chinese party-state continues to control its 'national champions' according to rules that are neither transparent nor decided by Western procedural rules and practices.

However, *Playing Our Game* provides an interesting perspective on the consequences and perspectives of China's and Chinese companies' integration into the global economy. The book is well researched and relies on extensive source material in Chinese as well as in English. Of particular interest is the author's account of how China National Off-shore Oil Company (CNOOC) operates based on his first-hand knowledge as member of CNOOC's International Advisory Board 2001-2009. This book is a must-read for anyone interested in understanding the forces shaping the evolution of Chinese big business.

Kjeld Erik Brødsgaard  
Professor and Director  
Asia Research Centre  
Copenhagen Business School

**Zheng Yongnian**, *The Chinese Communist Party as the Organizational Emperor: Culture, Reproduction and Transformation*. London and New York: Routledge, 2009, 254 pp., notes, bibliography, index. ISBN 978-0-415-55965-2 (paperback), 978-0-415-55963-8 (hardback).

Few could deny that the study of the Chinese Communists (the CCP) holds the key to China's modern political, economic and social development. Yet since Schurmann's classic *Ideology and Organization in Communist China* (1966), there have been few attempts to lay out a conceptual framework of the CCP as the central organizational force in post-reform China, until the study was again revived not long ago and several book-length works published (Brødsgaard & Zheng 2007; Shambaugh 2008; Dickson 2008; Zheng 2009; Gore 2010). While all five volumes address the key issue of reforms and changes in the ideology and organization of the post-reform CCP, Zheng's *Organizational Emperor* stands out as it tackles head-on the most challenging issue in the study of the CCP and indeed Chinese politics, namely, the very nature of the Party as a